

WRITTEN TESTIMONY IN SUPPORT OF HOUSE BILL 4871  
HOUSE COMMITTEE ON COMMERCE AND TRADE  
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Thank you, Mr. Chair and members of the committee for the opportunity to submit testimony in support of House Bill 4871. I very much appreciate you giving this bill a hearing as it will help clarify the BIZ law and add more flexibility.

My name is Theresa Zajac and I am the Vice President of the Southwest Detroit Business Association in southwest Detroit. I have been with this community development corporation for 15 years. My first role here was to work with the small business community to help them establish a Business Improvement Zone (BID) in our Main Street along West Vernor and its adjacent connector, Springwells. Because there was no example of a BID in Detroit, or anywhere else in Michigan, it was process of education of a period of years. Please note that New York City and Toronto have over 50+ BIDS/BIAs established. Even Windsor, our neighbor across the Detroit River has nine BIAs. We basically began showing by example, establishing block by block a Voluntary BID until we received the support of enough property and business owners to create a district. The initial legislation that we utilized was 4-steps. As legislators, you can relate to the fact that it was like running four campaigns simultaneously with different deadlines and timelines. The West Vernor & Springwells Business Improvement District (BID) was first voted into place in the fall of 2007. As the first group to fully move through all 4 steps of the legislation, we were intimately aware of the ambiguities in the legislation. Through our pro-bono attorney, we drafted what the challenges were, and made recommendations for how they could be changed. Thank you for the legislators' past work in making changes that has helped/will help those business districts wishing to implement a BID/BIZ in the future.

The West Vernor & Springwells BID, again as the one becoming the first, also was the first to face the expiration and renewal challenge. This is where we encountered a problem that House Bill 4871 would help fix. The property owners and those of us doing the administration, had stated in our documentation that the start date for our BID was the first day the city of Detroit tax bill became official. Using that date is how we planned for the renewal vote. It turns out other attorneys looked at the legislation and read different meaning into the language. We again found an ambiguity that we felt obligated to change for the sake of other BIDs/BIZs.

The 2<sup>nd</sup> part of this legislation we would like to amend has to do with the required life of the BID/BIZ. A major downtown, such as Detroit, has buildings owned by investors who can easily think about planning for 10 years out. The small business/property owners in our district were nervous enough about making a 7-year commitment. Ten years was just too much for them. Again, our purpose in asking for the legislation to have some leeway in the BID/BIZ life cycle is to allow the small business community in small cities and towns across the state of Michigan to have some flexibility in setting up something that is in the comfort zone of their small businesses.

The Business Improvement Zone (aka District) is a great economic development tool that we would like to see more business districts utilize to help them improve and sustain their business community. We greatly appreciate the support of our local State Representative, Stephanie Chang, in hearing our thoughts and helping put them into legislation. We thank you for your interest and support of the small business community!